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WORLD AFFAIRS

Congo Crisis

UN-Katanga Fighting. The battle begun Dec. 6 by UN forces in Katanga continued in Elisabethville and other parts of the dissident province Dec. 7-13 with neither side gaining a decisive advantage. [See p. 441B1-G2]

Among military developments reported from Katanga:

Dec. 7—Fighting in Elisabethville centered in 3 main areas: a key road underpass, taken from the Katangans by Indian UN troops; a residential area near the airport, where UN armored cars pushed back Katangan commando units; the area surrounding the UN headquarters, subjected to heavy Katangan mortar fire. UN jets of the Swedish Air Force bombed and destroyed a Katangan munitions dump 6 miles from Elisabethville.

U.S. Air Force Globemaster transports began flying UN Force troops and supplies to Katanga from Léopoldville but were grounded after one plane was damaged by Katangan ground fire. (The airlift, the first U.S. quasi-military action in the Congo, was ordered resumed with fighter escort Dec. 8.)

Dec. 8—UN forces were accused of shelling the Prince Leopold Hospital in Elisabethville, causing the deaths of 7 Africans and the flight of hundreds of patients. UN officers admitted that their troops had fired in the direction of the hospital but asserted their shells were aimed at a nearby Katangan military camp. UN jets strafed a police camp and the university on the city's outskirts.

Dec. 9—The UN's first air attack on downtown Elisabethville was made by Indian and Swedish Air Force jets that strafed the post office and radio station. The post office attack apparently scattered Katangan troops assembling for an assault on the nearby UN headquarters. The radio was strafed after Swedish UN troops had been driven off in an attempt to storm it. Katangans were reported to have retaken the strategic road underpass. The Katangan attack on UN headquarters was launched at night, but it apparently failed.

Dec. 10—Indian and Swedish jets made 5 attacks on Camp Massart, the main Katangan military installation in Elisabethville, leaving it burning. Other air attacks reportedly were made against villages in the Jadotville area and a fuel dump, mining installations and rail transport near Kolwezi. (Officials of the Belgian-run Union Minière du Haut-Katanga said in Brussels Dec. 11 that the destruction of the dump had forced the firm to close its Kolwezi copper refinery. It was the firm's first installation to close as a result of the fighting.) A train left Elisabethville for Northern Rhodesia with 400 European women and children.

Dec. 11—2 Katangan planes attacked the UN-held airport outside Elisabethville but did only minor damage. Katangan forces claimed to have destroyed 4 UN planes on the ground with mortar fire.

Dec. 12—Gen. Norbert Muke, Katangan commander-in-chief, reported that fresh troops were entering Elisabethville as reinforcements for a new attack. UN forces continued a similar buildup with the arrival of 216 Swedish troops aboard U.S. transport planes. Katangans shelled the UN headquarters and claimed they had forced the UN command to abandon the building. UN air attacks were reported on Jadotville, Luena and other Katanga cities.

Dec. 13—4 Swedish UN jets attacked and partly destroyed Elisabethville's Lido Hotel with bombs and rockets. The attack was justified by the UN on the ground that Katangan forces had occupied the hotel. Katangans had built emplacements near the hotel and had fired from the vicinity at UN planes flying over the city. A mortar duel between UN and Katangan forces destroyed many Elizabethville homes and buildings. U.S. Globemasters began landing at the city's UN-controlled airfield with the first of 700 Ethiopian troops to reinforce the UN garrison.

Tshombe Blames U.S. Katangan Pres. Tshombe left Paris for Elisabethville Dec. 7 after telling newsmen that U.S. planes manned by Americans but disguised with UN markings had "bombed and killed Negro women and children" in Katanga. Tshombe said the U.S. "finds it completely normal to . . . kill little Negroes in Katanga to give pleasure to [its] Communist friends in the UN."

Tshombe reached Elisabethville Dec. 8 and charged that the U.S. was emulating the USSR's suppression of the 1956 Hungarian revolt. He said: "The Americans are sending dollars, planes and diplomats to the Congo, everything except soldiers because the American man is too cowardly . . . to carry out such dangerous tasks as long as he can use the skin and the blood of the men of Mr. Nehru."

(Members of Tshombe's Katanga Youth Organization stoned the U.S. consulate and American Methodist Mission in Elisabethville Dec. 10. Consul Lewis Hoffacker, who had been released from house detention by the Katangans, advised all Americans to leave Katanga.)

UN on Fighting. Lt. Gen. Sean McKeown, UN Force commander-in-chief, declared Dec. 10 after a visit to Elisabethville that his troops would be able to take control of the city "within a few days." McKeown said Tshombe was "anxious to end the fighting" and had made informal approaches about a truce. McKeown said: The apparent stalemate was due to the UN's attempt to restore order with minimum of damage and loss of life; Tshombe's forces were "controlled by mercenaries headed by . . . white extremists acting in the interest of financial concerns in Katanga"; Katangan resistance would collapse as soon as this leadership was removed. [See p. 442A2]

In an exchange of messages Dec. 8 with Belgian Foreign Min. Paul-Henri Spaak, Actg. UN Secy. Gen. U Thant had charged that the Katangan resistance was being aided financially and with equipment by the Union Minière. He warned that the UN might have to act against the firm's installations unless it ceased such aid. Thant's charges were in answer to a Spaak accusation that UN troops had violated the Geneva convention by firing on hospitals and ambulances. A statement issued by the company Dec. 9 in Brussels denied Thant's charges.

Thant, in a statement issued at UN headquarters in New York Dec. 10, denied that UN operations in Katanga were designed "to force a political solution of the Katanga problem by smashing the political strength of the present political leadership there, as also the leadership itself." He said that the UN attack had been launched only after UN troops had been the target of Katangan attacks, "which were clearly part of a plan." He declared that the UN would stop fighting only after its security had been restored and it was able to "go ahead with the implementation of the Security Council and General Assembly resolutions" calling for the departure of mercenaries from Katanga and safeguarding of the Congo's territorial integrity. [See pp. 441G3-442A1]

East-West Relations

West Divided on Berlin. The foreign ministers of the U.S., Britain, France and West Germany conferred in Paris Dec. 11-12 but failed to agree on a unified Western position on negotiating with the USSR on Berlin. It was reported that the major obstacle to Western agreement was France's refusal to accept such negotiations as wise or necessary. The French held that the Berlin crisis was solely a Soviet creation and that the West's position was not negotiable.

The foreign ministers—Dean Rusk of the U.S., Lord Home of Britain, Maurice Couve de Murville of France and Gerhard Schroeder of West Germany—began their discussion of Berlin after an initial session on the Congo. No joint communiqué was issued, but Western officials reported that the 4 ministers had agreed only to continue exploratory diplomatic talks with the Russians to find out whether a reasonable basis existed for full negotiations on Berlin. France refused to join in the diplomatic soundings, under way in Moscow, but it agreed not to disavow them publicly. It did not promise to join in any East-West negotiations resulting from the Moscow soundings.

The U.S. and Britain had let it be known that they expected the Paris meetings to produce agreement on terms for a more formal approach to the USSR on Berlin negotiations.

The 4 foreign ministers reported the results of their talks to a NATO Ministerial Council meeting convened in Paris Dec. 13. The 11 other NATO foreign ministers were said to have expressed dissatisfaction with their

Week in Headlines

UN-Katanga battle continued.
Western foreign ministers met, failed to end French opposition to East-West talks on Berlin.
U.S. carried out first atoms-for-peace test.
USSR, Albania recalled ambassadors in growing Soviet bloc ideological split.
Pres. Kennedy called on labor to support Administration's liberalized trade program.
Supreme Court reversed Negro "sit-in" convictions.
DR general strike ended without political accord.

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failure to achieve a formula for a negotiated end to the Berlin tension. Replying to Couve de Murville's defense of the French position, Belgian Foreign Min. Paul-Henri Spaak told the Council: "We have probed enough; it is time to negotiate." Couve de Murville had warned that Soviet behavior in Berlin was aimed at the ultimate neutralization and detachment of West Germany and the Scandinavian countries from NATO. It was France's view, he said, that the only proper Western response was a military preparedness program designed to face the Soviet threat with "firmness and dignity." Opening the Council session, Rusk had declared that the U.S. did not regard readiness to negotiate as a sign of weakness. [See p. 434G1-A3]

De Gaulle-Adenauer Talks. France's refusal to negotiate on Berlin was made clear by Pres. de Gaulle during a 5-hour meeting with West German Chancellor Adenauer in Paris Dec. 9.

It was generally believed that Adenauer had gone to Paris to urge de Gaulle to accept some of the terms for Berlin negotiations worked out by Adenauer and Pres. Kennedy in their Nov. 19-22 Washington talks. A joint communiqué issued by de Gaulle and Adenauer Dec. 9 declared their agreement on the need for Western solidarity, but it contained no hint that de Gaulle had yielded on the question of a negotiated Berlin settlement. Bonn sources claimed, however, that Adenauer at least had persuaded de Gaulle to accept continued Western diplomatic probing of the USSR's position. [See pp. 433G2-434E1]

(The French position on negotiations, as explained by Couve de Murville to the French Senate Dec. 5: France had "never accepted the idea that it should be possible to negotiate under threats, be it even the supreme threat, that of atomic destruction.")

(British officials suggested Dec. 6 that the West might have to consider East-West Berlin negotiations without French participation. They asserted that Britain considered itself virtually committed to open such negotiations early in 1962.)

JFK Backs Talks. The U.S.' view that the world's most pressing need was for effective East-West negotiations on Berlin and other problems was stressed by Pres. Kennedy Nov. 29 at a Washington news conference.

Mr. Kennedy said: "I think that the important thing now is to attempt to work out a solution to the difficult problems which disturb our relations"; "We cannot have . . . an increase in harmony between the 2 blocs until we have come to some negotiated and mutually satisfactory agreement in regard to Berlin and Germany"; this agreement should provide for "an international administration on the autobahn [to Berlin] so that goods and people can move freely in and out"; he saw no purpose in a personal visit to the USSR until some U.S.-Soviet tensions had been eliminated.

(Mr. Kennedy's suggestion of international control of the autobahn to Berlin was rejected as "useless speculation" Dec. 2 by East German CP First Secy. Walter Ulbricht. It was rejected again by Soviet Amb.-to-U.S. Mikhail A. Menshikov, who also told the National Press Club Dec. 11 that "if the purpose of the Western powers in the [proposed Berlin] negotiations is to get confirmation of their occupation rights, then . . . there will be nothing to talk about.")

Reds Answer JFK. The Soviet government newspaper Izvestia Dec. 3 rebutted the major views expressed by Pres. Kennedy in his Nov. 25 Izvestia interview.

Izvestia's response was made in an article that was unsigned but was believed to have been written by one or more high Soviet officials. It was considered an admission that the President's statements had found some acceptance among Soviet readers.

The article applauded Mr. Kennedy's expression of hope for the settlement of East-West problems, but it rejected most of his specific suggestions for solving the problems, especially with respect to Germany. Izvestia said: Mr. Kennedy's proposal that the autobahn to West Berlin be placed under international control was part of the U.S.' "big stick" foreign policy; this policy matched "the intentions of Bonn's revanchists, who are dreaming . . . to seize the GDR [East German] communications and then all of her territory"; the President's insistence on Western occupation rights in Berlin was an "outlived approach" because World War II had ended 16 years ago and "preservation [of the occupation rights] leads not to the improvement but to the aggravation of the situation in central Europe"; the USSR welcomed his opposition to West Germany's acquisition of nuclear weapons, but it knew Bonn was attempting "to acquire nuclear weapons by the round-about way," through NATO.

Izvestia said that Mr. Kennedy's charge that the USSR "hoped to communize all the world" was a "cock and bull story" that failed to take into account "the powerful social forces" changing peoples' lives.

(Commenting on Pres. Kennedy's interview at a Moscow reception Dec. 6, Soviet Premier Khrushchev said: "Interesting, . . . but I cannot agree with everything said. When Mr. Kennedy becomes a Communist we shall then speak a common language, but that will not happen for a very long time.") [See p. 433B1-F2]

Nuclear Tests

First U.S. 'Peace' Test. The U.S.' first atoms-for-peace test was carried out Dec. 10 with the detonation of a 5-kiloton nuclear device 1,216 feet underground at a test site 25 miles southeast of Carlsbad, N.M.

The test—dubbed Project Gnome—was not an unqualified success. The nuclear device, exploded in an 8-by-10-foot chamber cut into a strata of rock salt, produced pressures greater than expected. It rocked the surrounding desert floor and caused clouds of intensely radioactive steam to escape from the mouth of a vertical shaft connected with the detonation chamber by a 1,000-foot tunnel. Radioactivity reached 10,000 roentgens an hour (maximum safe exposure: ½ roentgen yearly) at the shaft's mouth. The Atomic Energy Commission closed nearby highways and took other local precautions. AEC officials said that residents of Carlsbad and other nearby communities were in no danger.

Project Gnome was the first nuclear explosion planned under the AEC's Project Plowshare program for the development of such explosions for peaceful purposes. (Plowshare had been suggested in 1956 by scientists of the Livermore [Calif.] Radiation Laboratory; previous Plowshare tests had used conventional explosives.) The decision to proceed with the Gnome test had been announced by Pres. Kennedy Oct. 25, together with an invitation for all UN member states to send observers. The USSR and all Soviet-bloc nations declined or ignored the invitation, but newsmen and scientists from 12 other foreign countries came.

The Gnome test was designed for the following peaceful applications: (a) to test whether heat from an underground explosion could be stored and tapped for steam to power electrical generators (a 750-foot shaft was sunk into the desert floor over the detonation chamber to see whether, when filled with water, it would yield usable steam); (b) the production of gaseous and solid radioactive isotopes; (c) to measure the characteristics of nuclear detonations in salt formations; (d) to obtain neutrons produced by the detonations for laboratory analysis; (e) to test the design of nuclear devices intended for peaceful detonations.

The test was carried out under the general supervision of Dr. John S. Kelly, director of AEC's Division of Peaceful Applications of Nuclear Explosives.

(The 5th detonation in the U.S. current series of nuclear weapon tests was carried out underground Dec. 3 at the AEC's Nevada proving grounds. The weapon tested was described as "low-yield," presumably in the 20-kiloton range.) [See p. 405C3]

Soviet Bloc

USSR Recalls Albanian Envoy. The Albanian ATA news agency reported Dec. 10 that the Soviet government had recalled the staff of its Tirana embassy and had ordered the closing of the Albanian embassy in Moscow.

The ATA report was confirmed Dec. 11 by a Soviet Foreign Ministry communiqué that said Amb.-to-Albania Iosif Y. Shikin had been recalled from Tirana but that made no mention of a formal diplomatic break with Albania. It said the Albanian embassy in Moscow had been ordered closed after it had mailed anti-Soviet literature to the Communist Party Central Committees of the Soviet republics. The ATA report had said the break had been initiated by the USSR in a series of notes delivered to Albania beginning Nov. 25.

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(The London Times had reported Nov. 22 that all East European ambassadors had been withdrawn from Tirana and that Albanian envoys had been recalled from East European capitals.)

Albania's leaders were attacked Dec. 10 in a Tass summary of an article appearing in the current issue of the Soviet CP ideological magazine Kommunist. The article accused CP First Secy. Enver Hoxha and Premier Mehmet Shehu of ideological deviation. It said they had launched "violent attacks" against the Soviet party in order to "split the unity of the Socialist camp and of the international Communist movement." It said they were "dogmatists" and ungrateful for the huge amounts of Soviet-bloc aid given to Albania. [See p. 426A2]

(Belgrade dispatches reported Dec. 6 that 4 submarines had been seen entering the sub base near Valona, Albania. The USSR had recalled its force of 8 submarines stationed at the base; Albania was not known to have any submarines.)

Tito Denies Differences. Yugoslav Pres. Tito asserted Oct. 25 that the USSR and Yugoslavia had identical views on the ultimate goal of communism and differed only in their assessment of the best means to reach it.

Tito's statement, made in an interview for the Tokyo newspaper Asahi, was the first Yugoslav ideological statement to be reported since the 22d Soviet Communist Party Congress. Tito declared that the basic difference between the 2 countries was "that we are not in the [Socialist] camp" and the USSR believed that "every country that builds socialism must be in the camp." He added: "We consider that socialism can be built without participation in a bloc formation of states. The division of the world into blocs represents a danger."

A plenary meeting of the Yugoslav CP's Executive Committee ignored the attacks on Yugoslavia voiced at the 22d Soviet CP Congress and hailed the Moscow meeting as "an important contribution toward the advance of socialism." Tito, adressing the meeting, warned Yugoslav Communists that they would face expulsion from the party unless they repressed tendencies toward individual deviation and bourgeois money habits. [See p. 394B2]

Chinese-U.S. Talks Recess. The sole diplomatic-level contact between the U.S. and Communist China was recessed Nov. 28 until Feb. 6, 1962. The recess was announced by U.S. Amb.-to-Poland Jacob D. Beam and Chinese Amb.-to-Poland Wang Ping-nan after the 107th session of the 2 countries' Warsaw talks on the release of Americans held prisoner by Red China. Begun in 1955, the talks had been deadlocked for the past 2 years.

(A Chinese proposal for foreign ministers' talks with the U.S. was rejected Oct. 11 in statements by Pres. Kennedy and State Secy. Rusk. The proposal had been made by Chinese Foreign Min. Chen Yi in an interview with Reuters.)

(Chen conceded in the Oct. 11 interview that China's domestic conditions were "a little tight" due to huge crop losses caused by bad weather. He said: "We need to be economical in food consumption. . . . We must find substitutes for food grains, and we have had to import grain for the first time in 12 years"; China was preparing to face another bad harvest in 1962, but 1963 "will see another leap forward" comparable to 1958.)

It was reported from Peiping Dec. 4 that 6 British Vickers Viscount turboprop airliners had been sold to Communist China on credit. Vickers-Armstrong, Ltd. refused to comment on the report, but London sources confirmed it Dec. 5. The Foreign Office said Dec. 8 that the planes were not subject to the embargo on strategic exports to China.)

Other World News

Nobel Prizes Awarded. The 1960 and 1961 Nobel Peace Prizes were awarded Dec. 10 in ceremonies at the University of Oslo. The 1960 prize was accepted by Albert John Luthuli, 62, deposed Zulu chief, as "a democratic declaration of solidarity" with South Africa's Negro population. The 1961 prize, awarded to the late UN Secy. Gen. Dag Hammarskjöld, was accepted on behalf of Sweden by Swedish Amb.-to-Norway Rolf Edberg. The Nobel Prizes in physics, chemistry, literature and physiology were awarded in Stockholm ceremonies the same day by King Gustav Adolf VI of Sweden.

Luthuli had been granted a South African passport to go to Oslo for the award but was forbidden to prolong his stay or to make a requested visit to the U.S. He denounced South Africa in his acceptance address as a country where "the cult of race supremacy and of white superiority is worshiped like a god" and "the ghost of slavery lingers on to this day in the form of forced labor." [See p. 386A1]

Neutralists Confer. A one-day conference on neutralist problems was held in Cairo Nov. 19 by Presidents Nasser of the UAR and Tito of Yugoslavia and Prime Min. Nehru of India. The meeting reportedly was arranged to discuss the UAR's view that "imperialist" pressure against the neutralist countries had been increased since the September conference of nonaligned countries in Belgrade. A communiqué issued Nov. 20 said only that they had reviewed their foreign policies and "collective efforts" for peace. (Nasser and Tito had conferred privately Nov. 18.) [See p. 343G1]

U.S.-Japanese Cabinet Talks. Leading members of the U.S. and Japanese cabinets met in Hakone, Japan Nov. 2-4 for talks on the 2 nations' common economic and trade problems. The meeting was an outgrowth of Japanese Premier Hayato Ikeda's June visit to the U.S. [See p. 232E1]

The U.S. was represented by State Secy. Rusk, Labor Secy. Arthur J. Goldberg, Interior Secy. Stewart L. Udall, Agriculture Secy. Orville L. Freeman and Commerce Secy. Luther H. Hodges. The Japanese delegation was led by Foreign Min. Zentaro Kosaka, and Premier Ikeda attended some sessions.

The meeting opened with addresses in which Rusk urged Japan to devote a larger share of its resources to foreign aid and Kosaka noted the U.S.' "negative" attitude toward the alleged "disruption of the American domestic markets by Japanese goods." The U.S. delegation reminded the Japanese Nov. 3 that the U.S.' import policies were governed closely by its general economic conditions. The conferees Nov. 4 issued a final communiqué pledging steps to create liberal and orderly world trade conditions.

Rusk defended the U.S. against Japanese criticism of its resumption of nuclear tests at a Tokyo news conference Nov. 3. He asserted that "the world would not be safe if nuclear superiority moves to those who are predicting they will dominate the world." Rusk told newsmen Nov. 4 that the question of trade with the Communist bloc had been considered at the conference and the U.S.' view was that "each country must decide for itself."

Rusk flew to Seoul Nov. 4 for a brief visit to South Korea. He met Nov. 5 with Gen. Chung Hee Park, chairman of the ruling military junta and with Premier Song Yo Chan.

(The Japanese Foreign Ministry delivered an oral protest to U.S. Amb. Edwin O. Reischauer Dec. 4 against proposals that a special import fee be imposed on Japanese cotton textiles. Pres. Kennedy had asked the Tariff Commission Nov. 20 to study the imposition of a fee equal to the export subsidy paid U.S. cotton textile manufacturers. Plans for a voluntary 3-month cutback in production of Japanese textiles—cotton, woolen worsteds and rayon staple—were approved Dec. 6 by Trade and Industry Min. Eisaku Sato. In an address before the America-Japan Society in Tokyo Dec. 6, Sato warned that access to the U.S. market was a matter of "life or death" to Japan.)

SPACE

No U.S. Man in Orbit in '61. The NASA disclosed in Washington Dec. 6 that it had abandoned hope of putting a U.S. astronaut into orbit in 1961. The first U.S. attempt at a manned orbital flight would be made "early next year," the NASA said. Marine Lt. Col. John H. Glenn Jr., 40, had been named by the NASA Nov. 29 as the occupant of the Mercury capsule in the attempt. [See p. 436D1]

Moon Ship Contract. The NASA Nov. 28 awarded North American Aviation, Inc. a $400 million contract for designing and building a 3-man Apollo space ship for the first U.S. manned flight to the moon. The vehicle was to be in 3 sections joined together like railroad cars. The rear section was to be made up of the rockets that would slow down the vehicle for a landing on the moon. The middle section was to consist of the rockets used in the return trip from the moon. The foreward section was to house the crew's quarters, instruments and life-support equipment. [See pp. 416A2, C3, 381D2-B3]

'Needles' Contact Sought. MIT's Lincoln Laboratory (Lexington, Mass.) disclosed Nov. 27 that it had been unable so far to make certain contact with the Project West Ford "needles" that had been hurled into orbit Oct. 21 in a communications experiment. 4

possible contacts with the package of copper dipoles were recorded by the Millstone Hill radar station in Westford, Mass. Nov. 3, 13, 15 and 22, but the announcement reported that "the target is so small and so far away that the radar returns are extremely weak and the information that can be derived from them is very limited." [See p. 390E2-C3]

Phone Satellite Disputes. A controversy over communications satellite policy was aired at hearings Nov. 8-9 before the Monopoly Subcommittee of the Senate Small Business Committee. The subcommittee had wound up 2 weeks of hearings on the issue Aug. 11.

The National Space Council, headed by Vice Pres. Johnson, had recommended to Pres. Kennedy July 14 that the U.S. part of an international communications satellite system be jointly owned by private companies but that the U.S. government establish standards, launch the satellites and regulate the rates charged for communications by satellite.

Private ownership of such a system had been proposed by several private companies and federal agencies, including the FCC, which had authorized the American Telephone and Telegraph Co. Jan. 19 to arrange for NASA launching of its first experimental communications satellites. A government-owned system with facilities made available to private companies had been advocated by other federal agencies, including the NASA, which contracted July 28 to launch at least 2 AT&T satellites (with the company reimbursing the NASA at a rate estimated at $6 million per launching and with the company agreeing to let the government license any AT&T inventions developed during the contract's term).

Pres. Kennedy, who had requested the NSC recommendation June 15, announced July 24 that "private ownership and operation of the U.S. portion of the system is favored" provided that various "policy requirements" were met. These requirements included (a) making the system "global in coverage . . . including service where individual portions of the coverage are not profitable" and (b) assuring maximum competition and "full compliance with anti-trust legislation" and governmental regulation. Mr. Kennedy "again invite[d] all nations to participate. . . ."

The FCC July 25 directed 9 U.S. firms engaged in international communications to set up a committee "to speed plans for their joint development, construction, ownership and operation" of the proposed system. The committee was formed as directed. It recommended to the FCC Oct. 13 the creation of a non-profit U.S. Satellite Corp., owned by the participating firms, but with the government having 3 representatives on the board of directors. The proposed company would own and manage the satellites, and the individual companies would own and manage ground stations using the satellites. The system, which the committee said could be in operation by 1965, could use either (1) 20 satellites in 6,000-mile-high orbits, or (2) 3 pairs of satellites in 22,300-mile-high orbits, or (3) a combination of the 2. The cost of the satellite system (ground stations excluded) was estimated at $45 million to $150 million, depending on the alternative adopted. Western Union Telegraph Co. warned in a minority statement that the U.S. Satellite Corp. still could be dominated by a single "larger carrier" (AT&T).

Asst. Atty. Gen. Lee Loevinger, head of the Justice Department's Anti-Trust Division, said at the Senate Small Business subcommittee hearings Nov. 8 that the industry committee's proposal was "not adequate" to meet the standards set by the President or the Justice Department. Sen. Russell B. Long (D., La.), subcommittee chairman, said Nov. 8 that a subcommittee analysis showed that AT&T might own and use as much as 85% of the system under the industry committee's proposal.

35 Democratic Senators and Representatives, including Chrmn. Estes Kefauver (Tenn.) of the Senate Anti-Trust Subcommittee and Chrmn. Emanuel Celler (N.Y.) of the House Judiciary Committee, told Pres. Kennedy in a letter made public Aug. 27 that the approach favored by the FCC and at that time being worked out by the industry committee was "intolerable from the standpoint of the public interest." Limitations specified by the FCC would mean that "AT&T would have a dominant and very probably a monopoly position," the letter said. "In effect, AT&T would be the chosen [U.S. government] instrument . . . to own and control civilian space communications," the letter charged. [See p. 232F-G3]

NATIONAL AFFAIRS

The President

Appeal to Labor. Pres. Kennedy urged the American labor movement Dec. 7 to support his drive for a new, liberalized trade policy. Speaking at the opening of the 4th biennial AFL-CIO convention in Bal Harbour, Fla., the President said, "We must expand our job opportunities by stimulating our trade abroad."

The President promised (a) to continue efforts toward full production and full employment, and (b) to ask Congress for a program of "grants-in-aid to communities for needed public works when our unemployment begins to mount."

Forsaking his prepared text to speak extemporaneously, the President said: The U.S. "must maintain a favorable balance of trade or suffer severely from the point of view of national security"; the European Economic Community (EEC) "is our best market for manufactured products"; it potentially was "a great asset" toward tying together Western Europe, the U.S., Latin America and Japan "as a great area of freedom."

Mr. Kennedy urged repeal of "tax privileges which make it particularly attractive for American capital to invest in Western Europe." In 1960, he said, "we took in from the underdeveloped world, which needs capital, . . . $1.3 billion and we sent out in capital for investment $200 million . . . while in Western Europe we sent out $1½ billion and took in $1 billion."

The President requested support for Administration proposals for (a) a "rational" unemployment compensation system with "nation-wide standards," (b) an aged medical care program financed by Social Security, (c) a Youth Employment Opportunities Act to aid 26 million young people who "will be crowding into the labor market in the next 10 years," (d) a program for retraining unemployed workers, (e) tax credits "to provide opportunities for plant reinvestment" and, hence, more jobs.

Mr. Kennedy said: (1) "We want everyone to have a chance, regardless of their race or color . . . to make a life for themselves and their families, to get a decent education, so they have a fair chance to compete"; (2) "I'm hopeful that management and labor will recognize their responsibilities to permit us to compete—that those of you who are in the area of wage negotiations will recognize the desirability of us maintaining as stable prices as possible."

The President urged labor to "redouble" its efforts at strengthening free labor movements abroad. Labor was not free, he said, when "it is not able to express its rights, not only in relationship to the employer but also to speak out and recognize the limitations of governmental power." "It's no accident," he said, "that there has not been a strike in the Soviet Union for 30, or 35, or 40 years."

(In a part of his prepared text that he did not deliver, Mr. Kennedy promised to include in his trade proposals to Congress "a program for adjustment assistance—a program to help those few communities, industries and workers who may actually be injured by increased import competition.") [See pp. 444D2-445C1]

(Before addressing the AFL-CIO, Pres. Kennedy had spoken at the national convention of Young Democratic Clubs in Miami Beach Dec. 7. He had arrived in Florida Dec. 6 after a flight from New York. He returned to Washington Dec. 9.)

Korth Succeeds Connally. Navy Secy. John B. Connally Jr., 44, a Democrat, announced Dec. 11 that he was resigning to become a Texas gubernatorial candidate. Pres. Kennedy Dec. 11 accepted his resignation, effective Dec. 20, and replaced him by giving a recess appointment to Fred Korth, 52, a Democrat, president of the Continental National Bank in Fort Worth, Tex. Korth had been Assistant Army Secretary 1952-53. [See p. 361G3]

Appointments. Pres. Kennedy gave recess appointments Dec. 7 to: William J. Handley of the U.S. Information Agency, as ambassador to Mali (to succeed Thomas K. Wright, whose resignation was accepted Nov. 22); Raymond L. Thurston, deputy director of the State Department operations center, as ambassador to Haiti (to succeed Robert Newbegin, whose resignation was accepted Nov. 22); Ridgway B. Knight, consul-general with the rank of minister in Damascus, as ambassador to Syria. A recess appointment as U.S. minister to Rumania was given Nov. 30 to career diplomat William A. Crawford, 46.

The President Dec. 5 appointed a friend, James A. Reed (R.), as Assistant Treasury Secretary to succeed A. Gilmore Flues, who resigned. [See Vol. XVIII, p. 28B-C3]

The President announced Nov. 23 the recess appointment of Bernard L. Boutin, 38, as administrator of the General Services Administration to succeed John L. Moore, who resigned to reenter the education field. Boutin had been deputy GSA administrator since Feb. 7. [See p. 100C2]

Carl Kaysen, 40, former Harvard economics professor and White House aide since January, was appointed Nov. 30 to be the President's deputy special assistant for national security affairs. [See p. 436F2]

Mr. Kennedy named as $20,000-a-year regional administrators of the Agency for International Development: Nov. 26—Dr. Edmond Hutchinson, 47 (Africa). Dec. 10—Seymour Janow, 48 (Far East).

The President Dec. 12 named Prof. Neil E. Harlan of the Harvard Business School as Assistant Air Force Secretary for Financial Management.

Labor

AFL-CIO Convention. The AFL-CIO held its 4th biennial convention Dec. 7-13 in Bal Harbour, Fla. and took action to end disunity caused by jurisdictional and civil rights disputes.

A plan to settle jurisdictional disagreements was approved by the convention Dec. 13. The resolution called for internal mediation and arbitration, with the final power of decision vested in the AFL-CIO Executive Council. The plan was accepted by the 2 principal jurisdictional disputants, Pres. Walter P. Reuther of the AFL-CIO Industrial Union Department, who said he was "satisfied" with the plan, and Pres. Cornelius J. Haggerty of the AFL-CIO Building & Construction Trades Department, who said he was "in general agreement" with it.

The federation's dispute over civil rights apparently was disposed of Dec. 13 through an agreement that the AFL-CIO Executive Council's October censure of A. Philip Randolph, the AFL-CIO's only Negro vice president, should be referred back to the council, where it would "die." In an attempt to heal the rift, AFL-CIO Pres. George Meany had met Dec. 5 with a delegation from Randolph's Negro American Labor Council. Reversing a policy of ignoring the Negro labor group, Meany promised to work with it and to submit its civil rights plan to the AFL-CIO Executive Council. In his opening address to the convention Dec. 7, Meany affirmed that he understood the impatience of those "who seek to give real meaning to the rights guaranteed by the 14th Amendment." But the feud flared anew Dec. 12 when Randolph described the censure report as "dishonorable, disgraceful, petty and cheap." Under the Dec. 13 agreement, Randolph retracted his description and the censure report was "deposited" with the council.

Dr. Martin Luther King, Negro civil rights leader, told the convention Dec. 11 that Randolph "should not be reviled" nor "condemned" for "revealing a weakness in the labor movement." "Discrimination does exist in the labor movement," he said.

A civil rights resolution, approved Dec. 12, pledged an intensified drive for (a) "equal rights for all Americans in every field" and (b) full union membership benefits for all workers.

The convention Dec. 11 approved Pres. Kennedy's proposals for trade policy revision. It reelected Meany Dec. 13 to a 2-year term as AFL-CIO president.

A collective bargaining resolution, approved Dec. 12, urged unions to "press for wage advances as a vital means of increasing inadequate consumer purchaser power." It also advocated: (a) Year-round income or employment; (b) adequate loss-of-jobs benefits; (c) readjustment provisions for automation and plant relocation; (d) shorter hours with no loss in pay. The resolution, backing "an expansionary federal budget policy," said prices "can remain reasonably stable if business would seek rising profits from low margins and an increasing volume of sales."

Labor Secy. Arthur J. Goldberg, in a speech to the convention Dec. 8, conceded that "inequities" existed in the over-all wage picture and that there was "plenty of room" for wage increases. But, he said, raises "should be earned by increasing productivity." He urged more labor movement "attention to those who are drawing substandard wages."

A resolution barring the International Teamsters Bro'hood's reentry into the AFL-CIO was passed unanimously Dec. 11. The only spokesmen for reentry were Pres. Michael J. Quill of the Transport Workers Union, Pres. Joseph Curran of the National Maritime Union and Pres. Patrick Gorman of the Amalgamated Association of Meat Cutters. (Teamsters Pres. James R. Hoffa had said Dec. 3 that 12-15 AFL-CIO unions would support a reentry resolution he expected to be introduced at the AFL-CIO convention. Hoffa was in Miami with his executive board to attend a meeting coinciding with the AFL-CIO convention, which took place 50 blocks north in Bal Harbour. While in Miami, Hoffa told reporters: Dec. 5—The Teamsters would absorb by merger Dec. 7 the Laundry, Dry Cleaning & Dye House Workers Union, which had been expelled from the AFL-CIO along with the Teamsters. Dec. 10—The Teamsters would demand 16¢-an-hour wage-and-benefit increases in 1962.) [See pp. 447D-F1, 438B-F1]

Teamsters Accused. 2 Philadelphia Teamsters officials, Lawrence J. Mullen, 57, secretary-treasurer of Local 161, and Joseph Westenberg, 51, Local 107 organizer, were indicted by a federal grand jury in Philadelphia Dec. 6 on charges of demanding and receiving pay-offs from trucking companies. They also were charged with conspiracy to use the money to pay the legal expenses of Raymond Cohen, Local 107 secretary-treasurer and business manager, who awaited trial on charges of conspiracy to defraud Local 107. The Teamsters' executive board Dec. 5 exonerated Cohen of the charges. [See p. 83E2; Vol. XIX, 435E1]

3 New Jersey Teamsters officials were arrested in New York Dec. 12 on charges of attempted grand larceny. They had received $2,000 and were accused of demanding a total of $10,000 for a "sweetheart" contract with J. G. Braun Co. at which N.Y. Teamster Local 810 was on strike. Those arrested: Eustace Roper, 36, president of N.J. Local 660; Nunzio Provenzano, 38, vice president of N.J. Local 522; Salvatore Briguglio, 31, business agent for N.J. Local 560. [See p. 410D-E2]

Killian Gets Rehearing. The Supreme Court, by a 5-4 decision Dec. 11, ordered a rehearing for John J. Killian, ex-United Electrical Workers union official who had been convicted of falsely denying in a 1952 Taft-Hartley non-Communist affidavit that he had ever been a member of or affiliated with the Communist Party.

The rehearing was granted for the purpose of deciding whether Killian should get a new trial on the ground that the judge at his first trial had excluded from testimony informers' statements to the FBI. The majority opinion held that Killian's conviction had been based on false swearing and that he "was not charged with criminality for being a member of or affiliated with the Communist Party."

Justice Hugo L. Black dissented on the ground that the Constitution forbade prosecution for crimes "that arise out of, and indeed are manufactured out of, the imposition of test oaths that invade the democratically indispensable freedoms of belief and political association."

Chief Justice Earl Warren and Justices William O. Douglas and William Brennan also dissented. [See Vol. XIX, p. 50A-B1]

Pension-Welfare Plans. The U.S. had about 190,000 welfare-pension plans covering about 90 million employes and aggregating more than $50 billion a year, Congressional Quarterly reported Dec. 8. 90% of the plans were administered by companies, 2½% by unions and the remainder by companies and unions jointly. The plans were growing at a $5-$6 billion-a-year rate.

Other U.S. News

Sit-in Convictions Upset. The Supreme Court in a unanimous decision Dec. 11 reversed the breach-of-the-peace convictions of 16 Negro college students who had staged sit-ins in Baton Rouge, La. It was the court's first decision on cases resulting from the student sit-in movement.

The students had been arrested Mar. 28-29, 1960 after seeking service at 3 "white" lunch counters in a drug store, a department store and a bus terminal. They had been refused service and had refused to leave under police orders.

Chief Justice Earl Warren, who wrote the opinion, said a Louisiana

law defined disturbing the peace as acting "in such a manner as to unreasonably disturb or alarm the public." He said there was "no evidence to support a finding that petitioners disturbed the peace, either by outwardly boisterous conduct or by passive conduct likely to cause a public disturbance."

Justices William O. Douglas and John Marshall Harlan, in separate but concurring opinions, conceded that sit-ins could and did cause racial tension. But Harlan said the sit-ins were "as much a part of the free trade in ideas as is verbal expression." He held that no state could curb such expression unless it banned sit-ins as "a clear and present danger to the welfare of the community." Douglas said the Constitutional ban against segregation applied to privately-operated restaurants on the grounds that "the custom that maintains . . . [segregation] is at least as powerful as any [state] law." [See Vol. XX, p. 124G2]

New Rochelle Ruling Upheld. The Supreme Court Dec. 11 upheld by refusing to review U.S. Judge Irving R. Kaufman's decision ordering New Rochelle, N.Y. to desegregate its predominantly Negro Lincoln Elementary School. [See p. 364G1-B2]

Florida Loyalty Oath Upset. The Supreme Court ruled Dec. 11 that a non-Communist oath required of Florida state or local government workers was unconstitutional because of its vagueness. The key part of the oath, required under a 1949 Florida law: "I have not and will not lend my aid, support, advice, counsel or influence to the Communist Party." The case had been brought by David Walton Cramp Jr., an Orlando public school teacher dismissed for refusal to sign the oath. [See p. 226A3]

FTC Right to Data Upheld. The Supreme Court, by a 6-3 decision Dec. 11, upheld the FTC's right, in an anti-trust inquiry, to require a company to show it a copy of a confidential report the company had prepared for the Census Bureau. The decision also upheld a penalty of $100 for each day the company failed to comply. The company involved was the St. Regis Paper Co.

Welfare Revision. HEW Secy. Abraham A. Ribicoff Dec. 11 ordered revision of the federal public welfare program to eradicate abuses. The revision would not affect the current fiscal budget, but would add $17,300,000 to the fiscal 1963 budget expenditures, he said.

In announcing the revision, Ribicoff said he would seek Congressional action for (a) work relief programs, (b) federal participation in day-care centers for children of working mothers, (c) use of voucher instead of cash payments for some relief families, (d) increased federal aid for administration and training programs.

Ribicoff denied that the attempt at welfare reform stemmed from the controversy over the strict welfare code adopted by Newburgh, N.Y. His department had been working in this field long before the controversy, Ribicoff said. He described the Newburgh plan as "a demogogic, . . . destructive approach that will solve nothing."

He said the welfare program revisions would (1) establish special units for more effective location of deserting parents; (2) strengthen actions for the reduction and control of fraud; (3) allow children to conserve income for education and employment; (4) safeguard children in families of unmarried parents, in families in which fathers had deserted, in hazardous home situations; (5) improve state training and development programs; (6) change the name of the Bureau of Public Assistance to the Bureau of Family Services, establish within it a Division of Welfare Services to absorb and expand activities of the Division of Program Standards and Development; (7) create a post of assistant commissioner in the Social Security Administration to supervise the new bureau (the post would be held temporarily by Melville H. Hosch, the SSA's Chicago director).

(Ribicoff had given a preview of his welfare proposals in a speech Dec. 1 before the American Welfare Association at its biennial conference in Chicago. Labor Secy. Arthur J. Goldberg, in an address at the conference Nov. 29, said people on relief needed aid, not criticism. Passage of the Administration's pending unemployment and aged medical-care programs would alleviate the welfare situation, he said.) [See p. 346B2-A3]

Court 'Fix' Charged. N.Y. Supreme Court Justice James Vincent Keogh, 56, and 4 others were indicted by a federal grand jury in New York Dec. 7 on charges of conspiring to "fix" a U.S. district judge in a bankruptcy case. Keogh, calling the indictment's charges against him "outrageous," vacated his post pending the case's resolution.

The other defendants: Elliott Kahaner, 36, an assistant U.S. attorney in New York from July 8, 1953 until July 19, 1961; Antonio (Tony Ducks) Corallo, 47, ex-Teamsters official and alleged labor racketeer; Dr. Robert M. Erdman, 43, New York physician; Sanford J. Moore, 44, juke-box company operator and ex-New York policeman.

Moore and 2 others had been arrested Jan. 5 on a charge of concealing $100,000 in assets of a bankrupt juke-box company. The defendants pleaded guilty Mar. 9 before U.S. District Judge Leo F. Rayfiel. Another judge reportedly informed Rayfiel that Moore had boasted about a "fix." Rayfiel notified the Justice Department and sentenced the 3 Mar. 30 to substantial jail terms, 3 years for Moore, 2 years and 1½ years, respectively for Moore's associates

The indictment charged that: Moore, after his arrest, had asked Erdman for help; Erdman arranged with Corallo to pay $35,000 to Kahaner and Keogh for efforts to obtain light sentences; Erdman did pay unspecified sums to Keogh and Kahaner; Kahaner had met with Rayfiel and had tried to get light sentences for Moore and the others by offering to have them make restitution.

Murphy Succeeds Bridges. New Hampshire Gov. Wesley Powell (R.) Dec. 7 appointed State Atty. Gen. Maurice J. Murphy Jr. (R.) to fill the Senate seat of the late Styles Bridges (R.) for a one-year interim term. Murphy, 34, was scheduled to become the Senate's youngest member. [See p. 440C3]

Allen Elected Atlanta Mayor. Ivan Allen Jr., only candidate on the ballot (as victor in a bitterly fought primary and run-off), was formally elected Dec. 6 to a 4-year term as mayor of Atlanta. [See p. 389F3]

FOREIGN

Argentina

Rail Strike Ends. A government-union agreement signed in Buenos Aires Dec. 10 ended a nationwide rail strike that had started Oct. 26. The agreement gave employes of the government-owned lines an average raise of about 20%. No change was made in the government's economy plan to reduce the number of rail employes by 75,000-80,000, one of the causes of the strike. More than 25,000 of the original 210,000-man work force had accepted an offer to resign and receive severance pay. Another 11,000 were pensioned. [See p. 410F2]

Bulgaria

Chervenkov Ousted. The Bulgarian Press Agency reported Nov. 30 that the CP Central Committee had expelled Deputy Premier Vulko Chervenkov, 61, from the Politburo Nov. 29. The agency said Chervenkov was ousted after CP leader Todor Zhivkov criticized him for his "mistakes and wrong methods" in the time of his Stalin-era "personality cult." (Chervenkov, who had become premier in 1950, was demoted in Apr. 1956 during a drive against Stalinism.)

The central committee elected Stanko Todorov and Mitko Grigorov as full Politburo members and elected as full committee members: Angel Tsanev, Vladimir Bonev, Ivan Prumov, Luchezar Avramov and Stoyan Stoyanov. Nikola Popov resigned from the committee's control commission, and Stoyan Abadzhiev was elected in his place. [See Vol. XIX, p. 214B1]

Cuba

Colombia Cuts Ties. Colombia broke diplomatic relations with Cuba Dec. 9. Colombian Pres. Alberto Lleras Camargo made the announcement following an emergency cabinet meeting. He charged that Cuban Premier Castro had provoked the break to create an atmosphere of danger to coincide with U.S. Pres. Kennedy's scheduled Dec. 17 visit to Colombia. Castro had denounced Colombia and Panama Dec. 8 as "accomplices of imperialism" and had invited both countries to sever diplomatic relations with Cuba. [See p. 419D2]

Execution Decree. Pres. Osvaldo Dorticós Torrado Nov. 29 announced a new law providing for immediate death sentences for murderers, invaders and saboteurs.

Castro had said Nov. 28 that his régime was introducing "revolutionary justice" against alleged invaders and anti-government plotters by imposing death sentences 48 hours after their capture. Castro singled out for execution saboteurs who burned sugar cane,

a favorite tactic of his régime's foes. [See p. 146C3]

Castro made his announcement in a speech before the National Congress of the Cuban Workers Federation. In the speech, Castro rejected a Guatemalan note demanding that Cuba expell ex-Guatemalan Pres. Jacobo Arbenz Guzman. (Arbenz, who had resigned as president in 1954, had gone to Cuba after spending some time as an exile in Switzerland.) [See Vol. XV, p. 162B2]

Ecuadoran Embassy Attacked. Cuban police and militiamen Dec. 11 killed 3 persons and wounded 4 others in repelling an armed attack against the Ecuadoran embassy in Havana. A Cuban government announcement said that the attackers were U.S. "agents." [See Vol. XX, p. 462B2]

Asylum Curbs Eased. Foreign Min. Raúl Roa Nov. 23 announced the abolition of a Nov. 3 government order barring anti-Castro Cubans from refuge in Latin American embassies in Havana. (The order also required departing Cuban refugees to pay for plane tickets with dollars rather than Cuban pesos.) Roa announced the lifting of the restriction in a note to Latin American chiefs of missions who had protested the Cuban decree. [See p. 431E1]

Refugees in U.S. Cuban Revolutionary Council Chrmn. José Miró Cardona told a U.S. Senate Judiciary subcommittee in Washington Dec. 6 that he opposed the resettlement elsewhere in the U.S. of the nearly 80,000 Cuban refugees in Florida. Miró testified that the exiles "await . . . the deeply desired order to take to arms, to fight communism and especially to fight it in Cuba." Transferring the refugees from Florida, he said, would "give an impression that we have been defeated."

Resettlement of the Cuban exiles was recommended by the Most Reverend Coleman F. Carroll, Roman Catholic bishop of Miami, Rep. Dante B. Fascell (D., Fla.) and Miami Mayor Robert King High.

Cuban refugees were arriving in Miami at an estimated rate of 1,500 a week. ⅔ of them remained in the Miami area. [See pp. 275E2, 57C3]

Dominican Republic

Strike Ends, Talks Stall. The National Civic Union (NCU) Dec. 9 ended a general strike it had called Nov. 28 in an effort to oust Pres. Joaquín Balaguer. The opposition's decision to end the walkout was based on an apparently false belief that NCU-government negotiators were close to an agreement on establishing a new régime.

It was reported Dec. 9, but later denied by Balaguer, that the negotiators had agreed to establish a council of state with Balaguer as chairman, 7 opposition party members, 3 government officials and 2 others appointed by mutual agreement. Balaguer was to quit in 6 weeks.

Balaguer Dec. 10 issued a statement saying he would not resign as president before the expiration of his term in Aug. 1962. His rejection of an NCU demand that he withdraw in favor of a council of state with full executive powers, he said, was in accordance with the wishes of the armed forces and the "government group." Balaguer said the military opposed any NCU-government agreement on a list of persons from which Balaguer's successor would be chosen to head the council. Balaguer pledged general elections May 16, 1962 to choose his successor and a new congress. He promised the opposition 6 of 12 cabinet posts and appointments to other government positions.

Balaguer made his announcement after meeting with Gen. Pedro Rafael Rodriguez Echavarria, U.S. Consul John Calvin Hill and Arturo Morales Carrion, Deputy Assistant State Secretary for Inter-American Affairs.

Rodriguez said after the conference: "Why do we need a provisional government? We support the president. We are not going to allow the opposition to take power by force."

NCU official José Fernandez Caminero announced after Balaguer's statement that the NCU would end its negotiations with the government.

A U.S. State Department statement issued Dec. 11 expressed concern over "reports that certain elements of the Dominican military opposed final action on the decisions reached by Pres. Balaguer and responsible civil elements in his government and in the moderate opposition."

A State Department spokesman confirmed to Facts on File Dec. 15 that U.S. naval units had been withdrawn from waters off the Dominican coast "about 10 days ago," but that they would "remain in the Caribbean area." There had been no announcement of the withdrawal. [See p. 448D3]

Ghana

Execution Courts Set. The Ghanaian Parliament Oct. 30, by a 36-5 vote, passed a bill, demanded by Pres. Nkrumah, that established special non-jury courts empowered to order death sentences for political offenses. (All 5 opposition United Party members voted against the measure.) The courts were to be made up of 3 presidentially appointed judges whose majority decision would be sufficient to convict. There would be no right of appeal. [See p. 391E3]

Nkrumah Heads University. Nkrumah was installed Nov. 25 as first chancellor of the University of Ghana in Accra. The school, which had been founded in 1948 as University College, received full university status.

Soviet Union

Arms Budget Up. A record fiscal 1962 state budget that provided a defense expenditure of 13.4 billion rubles ($14.874 billion), a 44% increase over 1961, was presented to the Supreme Soviet by Finance Min. Vasily F. Garbuzov Dec. 6 and approved Dec. 8.

Garbuzov said the defense outlay, representing 1/6 of the total budget, was necessitated by NATO's "increases in armed forces, perfecting armaments and open threats of war." (U.S. Defense Department officials estimated that Soviet defense expenditures actually totaled ½ of the budget since much arms spending was concealed in non-military categories.)

Other budget estimates: (1) 1962 revenues, 81.9 billion rubles ($90.909 billion); (2) expenditures, 80.3 billion rubles ($89.133 billion); (3) scientific development expenditures, 4.3 billion rubles ($4.773 billion), a 12% increase over 1961; (4) a 33½% increase in capital investments in the consumer goods industry; (5) an 18% increase in capital investments in heavy industry.

A 1962 economic expansion plan submitted to the Supreme Soviet Dec. 6 by State Planning Chrmn. Vladimir N. Novikov and approved Dec. 8 provided for: (1) a 17% increase in consumer goods output compared with an 8.8% rise in capital goods production; (2) a steel output of 76,900,000 tons (1961: 71 million tons); (3) electric power output of 366 billion kwh. (1961: 327 billion kwh.).

The Supreme Soviet Dec. 8 approved a new civil code modernizing Soviet laws. The code, to go into effect May 1, 1962, would deal with: (1) property rights of public institutions and private citizens; (2) copyrights and patents; (3) rights of foreigners in the Soviet Union; (4) libel action procedures that would require newspapers to print retractions of libelous statements. [See pp. 52F3; Vol. XX, 461D2]

CP Enrollment Up. Chrmn. Vitali N. Titov of the Soviet Communist Party's credentials committee reported Oct. 20 that the CP had 9,716,000 members, an increase of 2½ million since 1956. [See Vol. XX, p. 106F1]

Tanganyika

Independence Proclaimed. The British-administered African UN trust territory of Tanganyika became an independent country within the British Commonwealth Dec. 9. Details had been worked out with the aid of British Colonial Min. Iain Macleod at a constitutional convention in Dar-es-Salaam, the capitol, Mar. 26-29. Ex-Chief Min. Julius K. Nyerere, 38, was sworn in Dec. 9 as prime minister.

The celebration was marked by simultaneous flag-raising ceremonies in Dar-es-Salaam (witnessed by representatives of 65 nations) and atop 19,340-ft. Mt. Kilimanjaro in northern Tanganyika.

Nyerere later Dec. 9 received a $10 million offer of U.S. economic aid from Franklin D. Roosevelt Jr., Pres. Kennedy's representative at the independence celebration. The funds were to be in the form of long-term Agency for International Development loans. Britain had agreed Aug. 4 to provide £13 million ($36½ million) in aid in 3 years.

Tanganyika's new parliament was opened Dec. 11 with a speech by British Prince Philip, representing Queen Elizabeth. [See pp. 256F2, 183C2]

Other Foreign Events

Nepal. King Mahendra Bir Bikram Shah Deva Dec. 10 restored the civil rights he had suspended Dec. 15, 1960 after he had dismissed parliament and seized control of the government. Among rights restored were political freedom, free speech and individual liberty. Foreign Min. Tulsi Giri explained that the proclamation did not revoke the ban on political parties.

3 members of the outlawed Praja Parishad party had been arrested Aug. 20: ex-party secretary Ram Hari Sharma; ex-Foreign Min. Chuda Prasad

Sharma; ex-Deputy Foreign Min. Pushka Nath Uprety. Ex-Home Min. Surya Prasad Upadhaya and ex-CP Secy. Gen. Kaiser Jung Raymajhi had been released from prison Aug. 16. Upadhaya and other officials had been arrested Dec. 16, 1960. Raymajhi had been arrested in July. [See p. 143C1]

Portugal. A "single market" free trade area encompassing Portugal and its possessions, was scheduled to go into effect Jan. 1, 1962, it was reported Nov. 29. The plan called for the gradual abolition in 10 years of tariffs between Portugal and Angola, Mozambique, Macao, Timor, Portuguese Guinea and other Portuguese possessions. The plan was expected to double the amount of trade between Portugal and its colonies. (Current total: about $150 million a year.)

Somalia. The Somali National Assembly Nov. 13 approved a government motion to "support a request by the people of Northern Frontier Province of Kenya to be united with Somalia" before Kenya gained its independence from Britain. The motion reportedly was the outgrowth of recent talks held in Mogadishu, Somali capital, by government officials and a delegation from the Northern Frontier Province, where many Somalis lived. [See p. 28C2]

ECONOMY

U.S. Revises Silver Policy. Pres. Kennedy Nov. 28 ordered the Treasury Department (a) to end sales of "free" silver (silver not needed to back paper currency), (b) to withdraw silver from the monetary reserve fund (used to meet coinage needs), (c) to start discarding silver certificates so that they eventually could be replaced with Federal Reserve notes backed by gold.

The orders were moves toward the establishment of a supply-and-demand commodity market for silver and toward the demonetization of silver except as a coin ingredient. [See p. 423F2]

Following Mr. Kennedy's move, the price of silver in New York rose 9⅜¢ an ounce Nov. 29 to $1.0075, the highest price since Aug. 21, 1920, when it was $1.0175. In London, it rose to a record $1.0237 an ounce for immediate delivery and $1.0296 for 2-month delivery. [See Vol. XVII, p. 126G1-A2; VI, 245G]

Bank Interest Up. The Federal Reserve Board and Federal Deposit Insurance Corp. announced Dec. 1 that, beginning Jan. 1, 1962, commercial banks could pay (a) up to 4% interest on all savings on deposit for one year or more, and (b) up to 3½% on all savings deposits and on time deposits of at least 6 months' standing. The ceiling increase affected the Federal Reserve System's 6,100 national and state banks and the 7,000 FDIC-insured state commercial banks. The ceiling was 3% 1933-35, 2½% 1935-57 and 3% since 1957. The 4% rate was authorized "to increase freedom of competition" and "to compete more vigorously to retain foreign deposits that might otherwise move abroad in search of higher returns and thereby intensify an outflow of capital or gold to other countries."

Sugar Quota. U.S. Agriculture Secy. Orville L. Freeman Dec. 8 authorized the marketing of 4,044,391 tons of sugar in the U.S. during Jan.-June 1962. 3,175,378 tons was under quotas for U.S. areas and foreign countries, and 869,013 tons was to be non-quota sugar.

Freeman simultaneously authorized a U.S. marketing quota of 9½ million tons for all of 1962. The adjusted 1961 quota: 9,820,000 tons. [See Vol. XX, pp. 471B-C3, 457C-D2]

EDUCATION

Crisis in Teaching. Dr. A. Whitney Griswold, 55, Yale president, charged that high school teacher-training had "desperately corrupted" educational values "by a curriculum, a program of pedagogy . . . [that] has the effect of repelling instead of attracting the ablest teachers."

Griswold's views were expressed in an interview published Dec. 10 in a pamphlet (entitled The University) by the Center for the Study of Democratic Institutions (Santa Barbara, Calif.), the principal activity of the Fund for the Republic. His remarks were supplemented by Dr. Robert M. Hutchins, fund and center president, in a comment published with the interview.

Griswold said the pedagogy problem was "political" because "the whole teacher-training curriculum has been frozen into law in many states" and was protected by a "militant organization with branches in every state and elaborate headquarters in Washington."

Hutchins denounced the "service station concept of the university," under which any courses urged by "crude pressure and bribery" of outside interests were offered as "academic majors."

Griswold, discussing the shortage of college and university teachers, urged the enhancement of the profession "in terms of professional duties, intellectual prospects, and human possibilities." [See p. 392 F-G3]

Catholic School Study. The Carnegie Corp. of New York Dec. 3 announced a $350,000 grant for a study of all aspects of Roman Catholic elementary and secondary schools in the U.S. The 2-3-year survey, to be administered by the University of Notre Dame, was to be conducted by the Rev. Theodore M. Hesburgh (Notre Dame president), ex-Hunter College Pres. George N. Shuster and the Right Rev. Frederick G. Hochwalt, National Catholic Education Association executive secretary. [See p. 423D3]

Business & Financial Summary

Week Ended Dec. 9

	This Week	Last Week	Year Ago
FINANCE:			
U.S. Treasury—			
Monetary gold stocks	*$16,975	*$16,975	*$17,974
Currency circulation	*$33,578	*$33,504	*$32,722
Banks—			
Com'l & ind'l loans§	*a$32,131	*$32,044	*$32,072
Agricultural loans§	*a$1,226	*$1,220	*$1,095
N.Y. bank clearings	$17,127,769,343	$16,141,178,107	$14,087,326,699
N.Y. Stock Exchange—			
Stock sales (shares)	21,010,850	22,283,470	18,314,785
Stock avgs. (100 shares)**	267.76	267.98	226.30
Bond sales (par value)	$35,899,000	$33,590,000	$30,962,000
Bond avgs. (30 bonds)**	86.50	86.66	85.92
INDUSTRY:			
Auto output (cars & trucks)†	190,052	190,929	157,699
Crude oil (bbl. daily)	b7,197,910	7,209,910	6,984,210
Soft-coal output (tons)	c7,345,000	8,890,000	6,559,000
Electric output (kwh.)	*b15,954	*15,330	*14,773
Carloadings (cars)	b573,701	495,089	522,936
PRICES:			
Wheat (bu.)	$2.49⅜	$2.48½	$2.41⅞
Corn (bu.)	$1.40⅞	$1.41⅜	$1.34⅜
Cotton (lb.)	$.356	$.356	$.32¼
Steel scrap avg. (ton)e	$34.17	$32.83	$28.50
Wholesale food index‡	d$5.95	$5.92	$6.18
Weekly whlsl. index (BLS)¶	d118.8	118.8	119.5
BUSINESS:			
Dept. store sales§¶	b237	r185	231
Failures (Nov. 30)‡	356	238	290
Foreign Trade (Census Bur.)—	**Oct.**	**Sept.**	**Oct. 1960**
Exports	*$1,889.6	*$1,631.3	*$1,743.9
Imports	*$1,318.9	*$1,249.0	*$1,157.2

*In millions **N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet ¶1947-49=100 §Federal Reserve Board aMember banks, 107 cities, Nov. 29 bDec. 2 cNov. 25 dDec. 5 eIron Age rRevised

Cost-of-Living Peak. The consumer price (cost-of-living) index rose in October to a record 128.4% of the 1947-49 average, the Bureau of Labor Statistics reported Nov. 28. The .1% increase over the September figure was largely due to higher prices for new cars and continued increases in such services as rent, medical care and transportation.

BLS consumer and wholesale price indexes for Aug.-Oct. 1961 and Oct. 1960 (1947-49=100):

	Oct.	Sept.	Aug.	Oct. '60
Consumer index (all items)	128.4	128.3	128.0	127.3
Food	120.9	121.1	121.2	120.9
Apparel	111.4	111.1	109.9	111.0
Housing	132.7	132.6	132.3	132.2
Rent	144.1	143.9	143.6	142.5
Medical care	162.3	161.7	161.4	157.3
Transportation	150.3	149.4	149.3	146.1
Private	137.9	136.9	136.8	134.1
Public	209.4	209.4	209.1	201.2
Wholesale index (all items)	118.7	118.8	118.9	119.6
Farm products	87.1	87.2	88.6	89.5
Fruits & vegetables	94.7	94.9	97.3	109.2
Grains	77.9	78.0	78.1	73.5
Livestock & live poultry	76.9	77.6	80.3	80.7
Processed foods	108.3	108.1	108.1	109.0
Chemicals & allied products	108.0	108.1	108.4	110.1
Fuel & related products, and power	113.0	113.7	114.4	116.2
Lumber & wood products	114.7	115.7	115.9	117.7
Machinery & motive products	152.8	152.7	152.7	152.9
Metals & metal products	153.1	153.7	153.6	152.8
Pulp, paper & allied products	130.4	129.5	126.3	133.4
Rubber products	139.4	139.6	139.4	144.9
Textile products & apparel	94.7	94.4	94.2	95.8
Purchasing power of dollar as measured by—				
Consumer prices	.....	77.9	78.1	78.6
Wholesale prices	84.2	84.2	84.1	83.9